

**AMENDMENT**

**In the Claims**

Below is a complete listing of claims of the application, in which claim(s) 7, 10-21, 28-49 has/have been canceled.

1. (Amended) A transgenic ungulate bearing a homozygous deletion of the prion gene, wherein said deletion renders the ungulate less susceptible to prion-related diseases.
2. (Previously Presented) The transgenic ungulate of Claim 1, wherein said deletion is created by homologous recombination of heterologous DNA into the prion gene locus.
3. (Previously Presented) The transgenic ungulate of Claim 2, wherein said heterologous DNA comprises a selectable marker.
4. (Previously Presented) The transgenic ungulate of Claim 3, wherein said heterologous DNA comprises a neomycin resistance gene operable linked to a promoter.
5. (Previously Presented) The transgenic ungulate of Claim 3, wherein said heterologous DNA comprises a promoterless neomycin resistance gene.
6. (Previously Presented) The transgenic ungulate of Claim 1, wherein said ungulate is a bovine.
7. (Canceled)
8. (Previously Presented) A transgenic bovine according to Claim 1, wherein said bovine bears a heterologous gene that is extraneous to the prion gene locus.

9. (Previously Presented) The transgenic bovine of Claim 8, wherein the heterologous gene is operably linked to a mammary-specific promoter, and expression of said heterologous gene enables production of a recombinant protein in the milk of said transgenic bovine.

10-21. (Canceled)

22. (Amended) A cloned transgenic ungulate having the same genotype as the transgenic ungulate of Claim 1, wherein said cloned transgenic ungulate is created using nuclear transfer techniques, and wherein the cloned transgenic ungulate is rendered less susceptible to prion-related diseases.

23. (Previously Presented) The cloned transgenic ungulate of Claim 22, wherein said ungulate bears a heterologous gene that is extraneous to the prion gene locus.

24. (Previously Presented) The transgenic ungulate of Claim 23, wherein said ungulate is a bovine.

25. (Previously Presented) The transgenic ungulate of Claim 24, wherein the heterologous gene is operably linked to a mammary-specific promoter, and expression of said heterologous gene enables production of a therapeutic protein in the milk of said transgenic bovine.

26. (Previously Presented) A line of transgenic ungulates having the same genotype as the transgenic ungulate of Claim 1.

27. (Previously Presented) A line of transgenic ungulates having the same genotype as the cloned transgenic ungulate of Claim 22.

28-49. (Canceled)